

## Message Text

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ACTION EUR-08

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 4991

C O N F I D E N T I A L OTTAWA 3744

LIMDIS

PASS WHITE HOUSE AND AGRICULTURE

FOR VINE AND KATZ FROM AMBASSADOR

EO 11652 GDS

TAGS ETRD EAGR CA

SUBJ US/CANADIAN MEAT IMPORT QUOTAS

1. AMBASSADOR HAD HOUR-LONG CONVERSATION NOVEMBER 15 WITH MINISTER OF INDUSTRY, TRADE AND COMMERCE GILLESPIE ON U.S. RESTRICTIONS ON IMPORT OF CANADIAN BEEF AND OTHER PRODUCTS ANNOUNCED NOVEMBER 16. MEETING HAD BEEN REQUESTED BY AMBASSADOR MONTH EARLIER, PRINCIPALLY FOR COURTESY CALL, BUT WAS DELAYED BECAUSE OF GILLESPIE'S SCHEDULE. BY NOVEMBER 15 GILLESPIE HAD BEEN INFORMED OF IMPENDING U.S. ACTION AND WAS IN A STATE OF MIND ABOUT IT. HE HAD TWO ADVISERS PRESENT AND IMMEDIATELY LAUNCHED INTO DENUNCIATION OF IMPENDING U.S. ACTION WHICH HE DESCRIBED AS "OVERKILL," AND "EXAGGERATED" RESPONSE TO CANADIAN QUOTA RESTRICTIONS IMPOSED LAST AUGUST. THERE WOULD BE "EXPLOSIVE" REACTION IN CANADA AND NO SELF-RESPECTING CANADIAN GOVERNMENT COULD RESPOND TO SUCH AN "ULTIMATUM." POLITICAL CONSEQUENCES IN CANADA WOULD BE "DISASTROUS" AND WOULD PROBABLY HAVE GRAVE EFFECT ON PRIME MINISTER TRUDEAU'S SCHEDULED VISIT TO WASHINGTON NEXT MONTH.

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GILLESPIE DECLARED THAT CANADIAN GOVERNMENT NEEDED

TIME FOR CABINET CONSULTATION AS WELL AS CONSULTATION WITH USG AND HE DEMANDED INDIGNANTLY THAT U.S. ANNOUNCEMENT BE PUT OFF FOR AT LEAST A WEEK.

2. I SAID THAT AS HE HAD USED ALL THE ADJECTIVES, I WOULD NOT REPEAT ANY OF THEM. I WOULD RECOUNT EVENTS, INCLUDING MANNER IN WHICH CANADIAN GOVERNMENT HAD MADE KNOWN TO US IN AUGUST ITS INTENTION TO IMPOSE QUOTAS, AND ITS REFUSAL TO CONSULT OR DELAY ITS OWN ANNOUNCEMENT AT THAT TIME. I WOULD ALSO MENTION THE THREE-MONTH LONG PROCESS OF CONSIDERATION AND THE OPEN HEARING WHICH THE USG HAD CONDUCTED -- A HEARING ATTENDED BY CANADIAN OFFICIALS, PARLIAMENTARIANS AND CATTLEMEN, AMONG OTHER INTERESTED PARTIES. THIS PROCESS, I NOTED, OFFERED A MARKED CONTRAST TO PROCEDURE ON CANADIAN SIDE AS HE KNEW. IN CONNECTION WITH THE MINISTER'S MENTION OF THE "48-HOUR" ULTIMATUM, I SAID HE WAS AWARE WEEKS AGO THAT WE HAD INFORMED THE GOC THAT THEY WOULD RECEIVE THAT MUCH ADVANCE INDICATION OF ANNOUNCEMENT USG MIGHT MAKE. IN LIGHT OF THIS HISTORY, REQUEST FOR FURTHER DELAY TO PERMIT GOC CABINET TO CONSULT EACH OTHER FOR UNSTATED PURPOSES WOULD PROBABLY NOT BE CONSIDERED SUFFICIENT BY MY GOVERNMENT. IN CONNECTION WITH HIS MENTION OF EFFECT ON TRUDEAU VISIT, I STATED MY ASSUMPTION THAT HE WAS NOT SPEAKING FOR HIS GOVERNMENT ON SUBJECT, ADDING THAT IT SEEMED HARDLY LIKELY THAT GOC WOULD WISH A VISIT OF SUCH IMPORTANCE TO BE AFFECTED BY SINGLE EVENT OF THIS NATURE IN VIEW OF RANGE AND SATISFACTORY STATE OF OUR OVERALL RELATIONSHIP.

3. GILLESPIE DID NOT COMMENT SPECIFICALLY ON ANY OF THESE REMARKS, BUT RESUMED HIS "OVERKILL" PRESENTATION UNTIL I SAID IT WOULD SEEM BETTER FOR THE GOC TO USE THE TIME REMAINING BEFORE THE ANNOUNCEMENT TO CONSIDER WHAT MIGHT BE DONE. I MENTIONED OUR PREVIOUSLY INDICATED WILLINGNESS TO REMOVE OUR RESTRICTIONS IF THE CANADIANS REMOVE THEIRS. IF HE WOULD GIVE ME SOMETHING SUFFICIENTLY CONCRETE IN THAT CONNECTION, I WOULD BE PLEASED TO SEND IT TO WASHINGTON FOR CONFIDENTIAL

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CONSIDERATION. HE ASKED WHAT THAT WAS SUPPOSED TO MEAN. I REPLIED THAT IT WAS FOR HIM AND HIS COLLEAGUES TO DETERMINE WHAT THEY COULD DO. MY ONLY ADVICE WAS THAT THE REMAINING TIME BE USED CONSTRUCTIVELY.

4. COMMENT: GILLESPIE IS ONE OF THREE OR FOUR ECONOMIC MINISTERS OF NATIONALISTIC BENT IN THE PRESENT CABINET. HE UNDOUBTEDLY PLAYED A ROLE IN THE

PROCRASTINATION ABOUT LIFTING THE DES BAN WHICH COMPLETELY CUT OFF U.S. CATTLE IMPORTS LAST APRIL, AS WELL AS THE QUOTA RESTRICTIONS WHICH FOLLOWED. SINCE THAT TIME, OPINION HAS BEEN CURRENT IN OTTAWA THAT THE USG WAS TOO PREOCCUPIED WITH DOMESTIC PROBLEMS TO MOVE DECISIVELY IN TRADE MATTERS, AND IT MUST HAVE SHAKEN THE MINISTER, AND SOME OF HIS COLLEAGUES, THAT THE "SLEEPING ELEPHANT" (AS WE ARE DESCRIBED) NOT ONLY WOKE UP BUT STARTED TO HEAVE ABOUT. GILLESPIE WAS PROPERLY CONCERNED ABOUT THE POLITICAL EFFECT OF THE U.S. MOVE IN CANADA, THOUGH I JUDGED HE WAS NOT AT ALL SURE THAT THE CANADIAN PUBLIC AND PARLIAMENT, WHO ARE WELL AWARE OF GOC ECONOMIC MEASURES AGAINST THE U.S. IN RECENT MONTHS, WOULD GRANT "EXXONERATION" TO THOSE CANADIAN POLITICIANS WHO CONCEIVED THEM.  
PORTER

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